

9534

**RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA**

Financial Statements

Year Ended September 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/4/09

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(A Corporation of Certified Public Accountants)

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## INDEPENDENT AUDITORS' REPORT

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The Board of Commissioners  
Recreation District No. 4  
of the Parish of St. Mary,  
State of Louisiana  
Patterson, Louisiana

We have audited the accompanying financial statements of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's officials. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana, as of September 30, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2009, on our consideration of the District's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The budgetary comparison information is not a required part of the financial statements but it is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The management's discussion and analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. However, management did not include this information in the financial statements for the fiscal year ended September 30, 2008.

*Dannall, Sikes, Gaudes & Frederick*

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

January 16, 2009

**FINANCIAL SECTION**

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Statement of Net Assets  
September 30, 2008

**ASSETS**

Current assets:

Cash	\$ 920
Interest-bearing deposits, at cost	35,050
Investments	<u>439,362</u>
Total current assets	475,332

Noncurrent assets:

Capital assets, net of accumulated depreciation	1,425,522
Deferred charges:	
Unamortized bond issuance costs	<u>2,238</u>
Total noncurrent assets	<u>1,427,760</u>
TOTAL ASSETS	<u><u>\$ 1,903,092</u></u>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 16,702
Interest payable	913
Deferred revenue	9,630
Current portion of bonds payable	<u>106,000</u>
Total current liabilities	133,245

Noncurrent liabilities:

Bonds payable	<u>108,000</u>
TOTAL LIABILITIES	241,245

**NET ASSETS**

Invested in capital assets, net of related debt	1,211,522
Restricted for:	
Debt service	74,040
Unrestricted	<u>376,285</u>
TOTAL NET ASSETS	<u><u>\$ 1,661,847</u></u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Statement of Activities  
Year Ended September 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue And Changes In Net Assets Governmental Activities</u>
Governmental activities:			
Culture and Recreation			
Administrative	\$ 283,922	\$ 65,827	\$ (218,095)
Interest and fiscal charges	<u>9,223</u>	<u>-</u>	<u>(9,223)</u>
Total governmental activities	<u>293,145</u>	<u>65,827</u>	<u>(227,318)</u>
General Revenues:			
Ad valorem taxes			232,334
Intergovernmental			62,500
Miscellaneous			<u>46,734</u>
Total general revenues			341,568
Change in net assets			114,250
Net assets - beginning of year			<u>1,547,597</u>
Net assets - end of year			<u>\$ 1,661,847</u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Balance Sheet  
Governmental Funds  
September 30, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 920	\$ -	\$ -	\$ 920
Interest-bearing deposits	18,716	6,707	9,627	35,050
Investments	<u>358,330</u>	<u>16,619</u>	<u>64,413</u>	<u>439,362</u>
TOTAL ASSETS	<u>\$377,966</u>	<u>\$ 23,326</u>	<u>\$ 74,040</u>	<u>\$ 475,332</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 16,702	\$ -	\$ -	\$ 16,702
Deferred revenue	<u>9,630</u>	<u>-</u>	<u>-</u>	<u>9,630</u>
Total liabilities	26,332	-	-	26,332
Fund balance				
Reserved for debt service	-	-	74,040	74,040
Unreserved	<u>351,634</u>	<u>23,326</u>	<u>-</u>	<u>374,960</u>
Total fund balance	<u>351,634</u>	<u>23,326</u>	<u>74,040</u>	<u>449,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$377,966</u>	<u>\$ 23,326</u>	<u>\$ 74,040</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,425,522
Deferred charges for unamortized bond issuance costs are not financial resources and therefore are not reported in the funds	2,238
Long-term liabilities, comprised of bonds payable, are not due and payable in the current period and therefore not reported in the funds	(214,000)
Accrued interest payable on long-term debt	<u>(913)</u>
Net assets of governmental activities	<u>\$1,661,847</u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended September 30, 2008

	General	Special Revenue	Debt Service	Total
Revenues:				
Taxes - ad valorem	\$ 98,858	\$ -	\$ 133,476	\$ 232,334
Intergovernmental	62,500	-	-	62,500
Facility rental and admissions	60,065	5,762	-	65,827
Concession income	-	14,061	-	14,061
Fence advertising	-	3,675	-	3,675
Sponsors and registration	-	11,891	-	11,891
Interest	10,738	556	2,592	13,886
Miscellaneous	-	3,221	-	3,221
Total revenues	232,161	39,166	136,068	407,395
Expenditures:				
Current -				
Culture and recreation:				
Accounting	12,350	-	-	12,350
Advertising	502	-	-	502
Insurance	20,749	2,542	-	23,291
Management fees	49,435	-	-	49,435
Meeting expense	370	-	-	370
Miscellaneous	127	1,238	25	1,390
Office supplies	1,830	157	-	1,987
Assessor's compensation	3,229	-	4,360	7,589
Repairs and maintenance	23,460	-	-	23,460
Supplies	7,829	22,966	-	30,795
Tournament expenses	-	11,705	-	11,705
Concession expense	-	8,176	-	8,176
Sports officials	-	7,444	-	7,444
Utilities	45,434	-	-	45,434
Debt service:				
Principal retirement	-	-	99,000	99,000
Interest and fiscal charges	-	-	9,223	9,223
Capital outlay	5,913	-	-	5,913
Total expenditures	171,228	54,228	112,608	338,064
Excess (deficiency) of revenues over expenditures	60,933	(15,062)	23,460	69,331

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended September 30, 2008

	General	Special Revenue	Debt Service	Total
Other financing sources (uses):				
Operating transfers in	\$ -	\$ 2,000	\$ -	\$ 2,000
Operating transfers out	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	58,933	(13,062)	23,460	69,331
Fund balance, beginning	<u>292,701</u>	<u>36,388</u>	<u>50,580</u>	<u>379,669</u>
Fund balance, ending	<u>\$ 351,634</u>	<u>\$ 23,326</u>	<u>\$ 74,040</u>	<u>\$ 449,000</u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended September 30, 2008

Total Net Changes in Fund Balance - Governmental Funds	\$ 69,331
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(52,502)
Governmental funds report principal payments on general obligation bonds as expenditures. However, for purposes of governmental activities, such payments are a direct reduction of the debt.	99,000
Governmental funds report bond issuance costs as expenditures; however, in the statement of activities these costs are deferred and amortized over the life of the related debt. This is the amount of amortization expense for the current year.	<u>(1,579)</u>
Change in Net Assets of Governmental Activities	<u>\$ 114,250</u>

The accompanying notes are an integral part of this statement.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Recreation District No. 4 of the Parish of St. Mary (District), which is a component unit of the St. Mary Parish Council, was created by an ordinance dated July 27, 1990, of the St. Mary Parish Council (formerly Police Jury). The District operates under a Board of Commissioners. The purpose of the District is to provide a recreational facility to citizens residing within Recreation District No. 4.

The accounting and reporting policies of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

This report includes all funds that are controlled by or dependent on the District's executive and legislative branches (the Board of Commissioners). Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The District is a component unit of the St. Mary Parish Council. Although the Parish does not provide facilities or financing, it does exercise some control over operations.

Government-wide Financial Statements

The government-wide financial statements report information on all of the activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Both the government-wide and the fund financial statements categorize primary activities as governmental.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges for services for facility rental and admissions. Taxes and items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for the governmental funds.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are earned.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be *available* if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes are recognized in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The following fund types are used by the District:

GOVERNMENTAL FUNDS –

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Assets

All capital assets are capitalized at historical cost or estimated historical cost for assets for which historical cost is not available. Contributed assets are reported at fair market value as of the date received. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets for financial statement presentation. However, the District maintains an inventory record on all items costing \$2,500 or more. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Equipment	5 - 12 years

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District prepares a proposed budget and submits it to the Board of Commissioners for approval.
2. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Commissioners. Such amendments were not material in relation to the original appropriations.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense totaled \$502 for 2008 and \$449 for 2007.

NOTE 2      MEETING EXPENSE

Meeting expense paid to the Board of Commissioners for the year ended September 30, 2008, is as follows:

Willis Dore	\$      70
Daniel Felterman	90
Kathy Johnson	90
William Miller	100
Jennifer Thibodaux	<u>20</u>
Total	<u>\$     370</u>

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2008, the District has cash and interest-bearing deposits (book balances) totaling \$35,970 as follows:

Cash on hand	\$ 150
Demand deposits	770
Money market accounts	<u>35,050</u>
Total	<u>\$ 35,970</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 2008, are secured as follows:

Bank balances	<u>\$ 41,212</u>
Federal deposit insurance	\$ 41,212
Pledged securities (Category 2)	<u>160,180</u>
Total	<u>201,392</u>
Excess of federal deposit insurance and pledged securities over bank balances	<u>\$ 160,180</u>

Pledged securities in Category 2 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the District's name.

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RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 4 INVESTMENTS

The District can invest in securities of the United States Government unless such an investment is expressly prohibited by law. The carrying amounts and approximate market values of investments are summarized as follows:

		September 30, 2008		
	Description	Interest Rate	Market Value/ Carrying Amount	Cost
General Fund	Louisiana Asset Management Pool	Various	\$ 358,330	\$ 358,330
Special Revenue Funds	Louisiana Asset Management Pool	Various	16,619	16,619
Debt Service Fund	Louisiana Asset Management Pool	Various	<u>64,413</u>	<u>64,413</u>
			<u>\$ 439,362</u>	<u>\$ 439,362</u>

Investments in the amount of \$439,362 at September 30, 2008 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 5 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 5 AD VALOREM TAXES (CONTINUED)

The St. Mary Parish Sheriff bills and collects property taxes for the District using the assessed values determined by the St. Mary Parish Assessor. District property tax revenues are budgeted in the year billed.

For the year ended September 30, 2008, 5.5 mills were authorized and dedicated as follows:

Recreation facility maintenance	2.34 mills
Debt service	3.16 mills

Total taxes collected were \$232,334. There were no taxes receivable at September 30, 2008.

NOTE 6 CHANGES IN CAPITAL ASSETS

	Balance 09/30/07	Additions	Deletions	Balance 09/30/08
Capital assets not being depreciated:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Capital assets being depreciated:				
Building	2,008,180	-	-	2,008,180
Equipment	<u>67,366</u>	<u>-</u>	<u>(11,852)</u>	<u>55,514</u>
Total assets being depreciated	2,075,546	-	(11,852)	2,063,694
Less accumulated depreciation for:				
Buildings	(568,290)	(50,204)	-	(618,494)
Equipment	<u>(51,233)</u>	<u>(2,297)</u>	<u>11,852</u>	<u>(41,678)</u>
Total accumulated depreciation	<u>(619,523)</u>	<u>(52,501)</u>	<u>11,852</u>	<u>(660,172)</u>
Total capital assets being depreciated, net	<u>1,456,023</u>	<u>(52,501)</u>	<u>-</u>	<u>1,403,522</u>
Total capital assets, net	<u>\$ 1,478,023</u>	<u>\$ (52,501)</u>	<u>\$ -</u>	<u>\$ 1,425,522</u>

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RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 7 CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana for the year ended September 30, 2008:

	Balance 9/30/2007	Additions	Deletions	Balance 9/30/2008	Amounts Due Within One Year
General obligation bonds	<u>\$ 313,000</u>	<u>\$ -</u>	<u>\$99,000</u>	<u>\$ 214,000</u>	<u>\$ 106,000</u>

Bonds payable at September 30, 2008, is comprised of the following issue:

General obligation bonds:

\$497,000 general obligation refunding bonds, Series 2005 (to defease \$580,000 of general obligation bonds Series 1997 issued for construction of recreation complex), payable in annual installments of \$92,000 to \$108,000 through March 1, 2010, with interest at 3.5% per annum.	<u>\$ 214,000</u>
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The annual requirements to amortize all debt outstanding as of September 30, 2008 are as follows:

Year Ending September 30,	Principal	Interest	Total
2009	\$ 106,000	\$ 5,635	\$ 111,635
2010	<u>108,000</u>	<u>1,890</u>	<u>109,890</u>
	<u>\$ 214,000</u>	<u>\$ 7,525</u>	<u>\$ 221,525</u>

NOTE 8 INTERFUND TRANSFERS

	Transfers in	Transfers out
General Fund:		
Special Revenue Fund	\$ -	\$ (2,000)
Special Revenue Fund:		
General Fund	<u>2,000</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 2,000</u>	<u>\$ (2,000)</u>

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 8 INTERFUND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2008. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

General Fund  
Budgetary Comparison Schedule  
Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes - ad valorem	\$ 82,319	\$ 98,756	\$ 98,858	\$ 102
Intergovernmental -				
St. Mary Parish Council	54,365	50,000	50,000	-
City of Patterson	20,827	21,400	12,500	(8,900)
Facility rental and admissions	65,480	63,000	60,065	(2,935)
Miscellaneous -				
Interest and other	10,254	10,505	10,738	233
Total revenues	<u>233,245</u>	<u>243,661</u>	<u>232,161</u>	<u>(11,500)</u>
Expenditures:				
Current -				
Culture and recreation:				
Accounting	11,430	12,000	12,350	(350)
Advertising	665	665	502	163
Building additions	200	200	-	200
Insurance	26,000	21,000	20,749	251
Labor parish	27,000	30,000	32,891	(2,891)
Landscaping	192	192	391	(199)
Management fees	19,000	17,000	16,544	456
Miscellaneous	-	-	127	(127)
Office supplies	1,274	1,600	1,830	(230)
Per diem	400	400	370	30
Assessor's compensation	2,863	3,230	3,229	1
Repairs and maintenance	22,400	13,000	23,069	(10,069)
Supplies	6,094	8,500	7,829	671
Utilities	40,000	50,000	45,434	4,566
Capital outlay	30,000	17,000	5,913	11,087
Total expenditures	<u>187,518</u>	<u>174,787</u>	<u>171,228</u>	<u>3,559</u>
Excess of revenues over expenditures	45,727	68,874	60,933	(7,941)

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

General Fund  
Budgetary Comparison Schedule  
Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Other financing sources (uses):				
Operating transfers in	\$ 38,000	\$ 38,000	\$ -	\$ (38,000)
Operating transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(2,000)</u>	<u>48,000</u>
Total other financing uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>(2,000)</u>	<u>10,000</u>
Excess of revenues and other sources				
over expenditures and other uses	33,727	56,874	58,933	2,059
Fund balance, beginning	<u>292,701</u>	<u>292,701</u>	<u>292,701</u>	<u>-</u>
Fund balance, ending	<u>\$326,428</u>	<u>\$349,575</u>	<u>\$351,634</u>	<u>\$ 2,059</u>

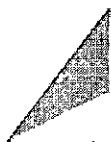
RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental -				
St. Mary Parish Council	\$ 475	\$ 600	\$ -	\$ (600)
Admissions	2,000	1,202	5,762	4,560
Concession income	8,769	9,720	14,061	4,341
Interest and other	21,522	19,296	7,452	(11,844)
Registration	<u>6,880</u>	<u>7,866</u>	<u>11,891</u>	<u>4,025</u>
Total revenues	39,646	38,684	39,166	482
Expenditures:				
Current -				
Culture and recreation:				
Bank charges	94	(2)	8	(10)
Insurance	2,410	2,542	2,542	-
Miscellaneous	20,431	15,251	16,850	(1,599)
Office supplies	53	157	157	-
Repairs and maintenance	2,000	-	-	-
Supplies	14,660	16,039	22,966	(6,927)
Tournament expenses	14,300	14,186	11,705	2,481
Capital outlay	<u>-</u>	<u>6,153</u>	<u>-</u>	<u>6,153</u>
Total expenditures	<u>53,948</u>	<u>54,326</u>	<u>54,228</u>	<u>98</u>
Deficiency of revenues under expenditures	(14,302)	(15,642)	(15,062)	580
Other financing sources:				
Operating transfers in	28,900	2,000	2,000	-
Operating transfers out	<u>(14,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>14,900</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	598	(13,642)	(13,062)	580
Fund balance, beginning	<u>36,388</u>	<u>36,388</u>	<u>36,388</u>	<u>-</u>
Fund balance, ending	<u>\$ 36,986</u>	<u>\$ 22,746</u>	<u>\$ 23,326</u>	<u>\$ 580</u>

**SUPPLEMENTAL  
INFORMATION**

**INTERNAL CONTROL, COMPLIANCE, AND  
OTHER INFORMATION**



# Darnall, Sikes, Gardes Frederick .

(A Corporation of Certified Public Accountants)

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Commissioners  
Recreation District No. 4  
of the Parish of St. Mary,  
State of Louisiana  
Patterson, Louisiana

We have audited the financial statements of the Recreation District No. 4 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the District's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

Eugene H. Darnall, CPA, Retired 1990

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs (Item 2008-1) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above (Item 2008-1) to be a material weakness.

This report is intended for the information of the District's Board of Commissioners, the Louisiana Legislative Auditor, management and others within the organization. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

*Dannall, Sikes, Gaudes & Frederick*

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana  
January 16, 2009

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Summary Schedule of Prior Year Findings  
September 30, 2008

2007-1	Finding:	<u>Inadequate Segregation of Accounting Functions</u>
	Status:	This finding is unresolved. See current year finding 2008-1.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Schedule of Findings and Questioned Costs  
September 30, 2008

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on Recreation District No. 4's financial statements as of and for the year ended September 30, 2008.

Internal Control Deficiencies – Financial Reporting

One significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 2008-1 in Part 2.

Material Noncompliance – Financial Reporting

The results of our tests disclosed no instances of noncompliance which are required to be reported under *Government Auditing Standards*.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2008-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the District did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At September 30, 2008, Recreation District No. 4 did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore, this section is not applicable.

RECREATION DISTRICT NO. 4  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Management's Corrective Action Plan For Current Year Findings  
September 30, 2008

Response to Finding 2008-1:

No response is considered necessary.